

VZCZCXRO7956  
PP RUEHFK RUEHKSO RUEHNAG RUEHNH  
DE RUEHKO #0508/01 0580135  
ZNR UUUUU ZZH  
P 270135Z FEB 08  
FM AMEMBASSY TOKYO  
TO RUEHC/SECSTATE WASHDC PRIORITY 2036  
INFO RUEKJCS/SECDEF WASHDC PRIORITY  
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY  
RUEAWJA/USDOJ WASHDC PRIORITY  
RULSDMK/USDOT WASHDC PRIORITY  
RUCPDOG/USDOC WASHDC PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RUEKJCS/JOINT STAFF WASHDC//J5//  
RHHMUNA/HQ USPACOM HONOLULU HI  
RHHMHBA/COMPACFLT PEARL HARBOR HI  
RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA//  
RHMFIUU/USFJ //J5/JO21//  
RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA  
RUAYJAA/CTF 72  
RUEHNH/AMCONSUL NAHA 8698  
RUEHFK/AMCONSUL FUKUOKA 6303  
RUEHOK/AMCONSUL OSAKA KOBE 9970  
RUEHNAG/AMCONSUL NAGOYA 4865  
RUEHKSO/AMCONSUL SAPPORO 6908  
RUEHBJ/AMEMBASSY BEIJING 1872  
RUEHUL/AMEMBASSY SEOUL 7939  
RUCNDT/USMISSION USUN NEW YORK 8526

UNCLAS SECTION 01 OF 12 TOKYO 000508

SIPDIS

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA;  
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;  
TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;  
SECDEF FOR JCS-J-5/JAPAN,  
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA  
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;  
CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 02/27/08

Index:

- 1) Top headlines
- 2) Editorials
- 3) Prime Minister's daily schedule (Yomiuri)

Secretary Rice in Beijing:

SIPDIS

- 4) Secretary Rice in meetings with Chinese leaders stresses cooperation in Six-Party Talks, working on North Korea to report nuclear plans (Yomiuri)
- 5) Rice urges China to use influence of North Korea to achieve progress on nuclear issue (Asahi)
- 6) Progress in Six-Party Talks is up to Pyongyang: Washington sources (Sankei)
- 7) Israel's Prime Minister Olmert promises to provide Tokyo with information on North Korea (Asahi)
- 8) Government to implement global warming countermeasures at Lake Toya Summit and 10 related conferences (Tokyo Shimbun)
- 9) Government planning new aid initiative in Burma (Myanmar) to help eradicate poverty (Asahi)
- 10) Former Prime Minister Nakasone meets ROK President Lee (Sankei)

Aegis collision fallout:

11) Skipper of Aegis ship that collided with fishing boat was questioned by Defense Minister Ishiba and others before the Japan Coast Guard started its investigation (Mainichi)

12) Aegis' captain to be replaced (Yomiuri)

13) Ruling camp backing up Ishiba, concerned that the Aegis flap could hamper passage of the state budget by the Diet (Yomiuri)

14) Dissatisfaction with Ishiba growing in the ruling camp (Mainichi)

15) New PKO dispatches eyed (Nikkei)

Economic affairs:

16) Decision on new Bank of Japan governor put off after next week (Mainichi)

17) Team of 11 experts, including business leaders, launch effort to draft a new "Maekawa plan" for restructuring the economy (Nikkei)

Articles:

1) TOP HEADLINES

Asahi:

IHI aware of losses last spring before issuance of corporate bonds

Mainichi:

Defense minister found to have questioned captain of Aegis destroyer Atago on the day of collision

Yomiuri:

Prof. Yamanaka reveals idea of establishing laboratory for clinical application of embryonic stem cells

Nikkei:

TOKYO 00000508 002 OF 012

FTC to cooperate with other government offices to crack down on unfair transactions

Sankei:

NY Philharmonic concert in Pyongyang produces suggests thaw for chilly relations

Tokyo Shimbun:

Government intends to take up measures to deal with climate change at 10 ministerial meetings related to G-8 Toyako Summit

Akahata:

MOD, without permission, questioned captain of Aegis destroyer Atago before JCG investigation

2) EDITORIALS

Asahi:

(1) Aegis destroyer collision: Is defense minister aware of his responsibility?

(2) Castro's retirement: Need to rebuild country with generational change

Mainichi:

(1) MOD's delayed announcement raises suspicions

(2) Applying government-created guidelines to evaluation of private-sector-sponsored certificate exams improper

Yomiuri:

(1) Aegis destroyer collision: A full inspection of SDF essential to prevent recurrence

(2) NY Philharmonic concert in Pyongyang should not be used by DPRK as political propaganda

Nikkei:

(1) Prevention of recurrence more vital than reorganization of MOD

(2) Castro leaves much to be done

Sankei:

- (1) Health of the Emperor: Need to establish system to reduce his official duties
- (2) Falling cabinet approval ratings: Prime Minister Fukuda needs to be proactive

Tokyo Shimbun:

- (1) Defense Minister Ishiba certain to face question of resignation
- (2) Hearings on selection of new BOJ governor in Diet should be open

Akahata:

- (1) Aegis destroyer collision: Defense minister's heavy responsibility for concealment of information

### 3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, February 26

NIKKEI (Page 2) (Full)  
February 27, 2008

07:42

TOKYO 00000508 003 OF 012

Met Deputy Chief Cabinet Secretary Ono at the Kantei.

08:31

Attended a cabinet meeting. Chief Cabinet Secretary Machimura stayed on.

09:04

Attended a Lower House Budget Committee session.

12:11

Met Ono.

13:04

Attended the Lower House Budget Committee session.

17:23

Signed in at the Imperial Palace to report his return.

17:49

Met State Great Hural Speaker Lundeejantsan of Mongolia at the Kantei.

19:18

Met LDP Upper House Caucus Chairman Otsuji, Upper House Secretary General Yamazaki, Machimura and others at his official residence.

- 4) Rice, Yang confirm cooperation to move six-party talks forward; China asked to urge North Korea to make full nuclear declaration

YOMIURI (Page 7) (Full)  
February 27, 2008

U.S. Secretary of State Condoleezza Rice, now visiting China, held talks with President Hu Jintao, Premier Wen Jiabao, Foreign Minister Yang Jiechi and others in succession on Feb. 26. In their meeting in the morning, Rice and Yang agreed to urge North Korea to make a complete and full declaration of its nuclear programs, which has missed the end-of-2007 deadline.

In a joint press conference with Yang, Rice said: "We are expecting North Korea to make a complete and full declaration of its nuclear programs, respecting its promise (six-party agreement). The United States and China have agreed to make efforts toward the final phase, completing the second-phase actions (a full declaration of the North's nuclear programs and the disablement of its nuclear facilities)." Yang also said, "We want to push the matter forward as soon as possible, overcoming difficulties."

Rice also reiterated U.S. opposition to Taiwan's plan to hold a referendum on U.N. entry in tandem with the March 22 presidential election, saying: "I have repeated (the U.S. position) upholding the

one-China policy. This referendum is not going to help anyone." Yang said, "China praises Secretary Rice's announcement on U.S. opposition to the planned referendum."

Rice also indicated that she had expressed concern over human rights and the freedom of religion in China.

The two foreign ministers also discussed the dying spy satellite that was recently shot down by a U.S. navy missile.

5) Rice urges China to use influence on North Korean in order to end

TOKYO 00000508 004 OF 012

nuclear standoff

ASAHI (Page 7) (Full)  
February 27, 2008

Nobuyoshi Sakajiri, Beijing

U.S. Secretary of State Condoleezza Rice, now visiting Beijing, held talks on Feb. 26 with Chinese President Hu Jintao, Premier Wen Jiabao, Foreign Minister Yang Jiechi and others in succession. After her meeting with Yang in the morning, Rice spoke about the North Korean nuclear standoff: "We are at an extremely critical juncture." She urged China to apply pressure on North Korea so as not to pass up a good opportunity for denuclearizing the Korean Peninsula.

At the Diaoyutai State Guesthouse in Beijing, Rice indicated to the press corps traveling with her that she had told China that in order to convince North Korea that it is time to move forward, each country must use all of its influence, according to AP and other news agencies.

Chinese press officer Liu Chienchao also revealed in a regular press conference on the same day that Foreign Minister Yang had conveyed to Rice Beijing's intention to respond to a call for resuming U.S.-China human rights dialogue but stopped short of setting a concrete timeframe.

In her talks with President Hu and Premier Wen in the afternoon as well, Secretary Rice reportedly have urged Beijing, the largest backer of North Korea, to use influence on Pyongyang, which has been slow to fulfill its disablement pledge.

6) Progress on Six-Party Talks hinges on what Pyongyang does

SANKEI (Page 6) (Full)  
February 27, 2008

Takashi Arimoto, Washington

The United States government hopes that the New York Philharmonic Orchestra's concert in Pyongyang yesterday will break the impasse in the Six-Party Talks on the North Korean nuclear issue. The situation is similar to what was called "ping-pong diplomacy" in the past, which thawed out the icy relations between the U.S. and China after an American team of ping-pong players visited China in 1971.

The leading player in realizing this concert was U.S. Assistant Secretary of State Christopher Hill, America's chief negotiator in

SIPDIS

the Six-Party Talks. Hill has stressed: "North Korea argues that it possesses nuclear arms because of America's hostile policy to that country, but holding this concert is a kind of proof that the U.S. does not adopt such a policy."

Washington has shown its willingness to take steps to normalize diplomatic ties with Pyongyang, for instance, resolving such outstanding issues as delisting North Korea as a state sponsor of terrorism and as a country subject to the Trading with the Enemy Act -- both requested by the North -- as well as opening a liaison office, once the North declares all its nuclear programs.

Presumably, Hill's ulterior motive is to make landmark progress on

the North Korean issue, something never achieved by the past

TOKYO 00000508 005 OF 012

administrations, by having the North disable its nuclear facilities in Yongbyon and by facilitating the North's declaration of its nuclear programs.

A growing view in the U.S. government, however, is that it is questionable how far Pyongyang is ready to engage in talks with Washington in a serious manner, given that the Bush administration will leave office next January.

An idea being floated is to first resolve plutonium-based nuclear programs while shelving for the time being the uranium enrichment-based nuclear programs, over which the U.S. and North Korea have conflicting views, and the issue of nuclear proliferation to other countries. At present, however, there are no signs that Washington will accept that idea.

At one point Hill indicated his willingness to accept a gradual declaration of nuclear programs, but there is a strong opposition to that declaration particularly in the National Security Council.

According to an involved U.S. official, President Bush is highly concerned that if North Korea is allowed to declare its nuclear programs piecemeal and given something in return, the U.S. will end up following North Korea's pace.

During his stay in Japan, Hill indicated that "North Korea, which faces difficult economic conditions, may give in sooner or later." A source familiar with the six-party talks also indicated that the New York Philharmonic Orchestra's performance this time could set the stage to resume the Six-Party Talks. But the source noted also: "Negotiations will not progress if the U.S. and North Korea stick to their respective positions."

7) Israeli prime minister to propose closer cooperation with Japan on North Korea information

ASAHI (Page 7) (Full)  
February 27, 2008

Visiting Israeli Prime Minister Ehud Olmert is scheduled to hold a meeting with Prime Minister Yasuo Fukuda today, in which the Israeli prime minister will propose an expanded exchange of information with Japan on North Korea, which is pushing ahead with military cooperation with such countries as Iran and Syria that are hostile toward Israel. This was revealed by prime ministerial spokesman Regev in an interview to the Asahi Shimbun yesterday.

Regev expressed strong concern about North Korea's activities in the Middle East, saying: "North Korea has nuclear weapon and ballistic missile technologies. We fear that such a country will join hands with reckless governments in the Middle East." He also indicated that (Prime Minister Olmert) will propose expanded dialogue with Japan on the political, diplomatic and security fronts, noting that combining Israel's information on North Korea in the Middle East with Japan's information on the North would benefit the two countries.

8) Government to implement global warming countermeasures at Lake Toya Summit and 10 related conferences

TOKYO SHIMBUN (Top Play) (Full)  
February 27, 2008

TOKYO 00000508 006 OF 012

The government has decided to implement global warming countermeasures in the Lake Toya Summit this July and related 10 cabinet ministerial conferences to be held in the nation. In the G-20 Climate Change Conference to be held in March by the state ministers for the environment and the economy at the Makuhari Messe in Chiba Prefecture, the government plans to use renewable energy as

electric power. In other major cabinet ministerial meetings, a carbon offset method will be made use of. The government aims to demonstrate advanced measures to contain global warming.

Climate change will be high on the agenda at the Lake Toya Summit. Prior to the summit, 10 conferences will be held in the nation, including the G-20, the Environment Ministerial Conference in Kobe and the Africa Development Conference in Yokohama both in May, and the Foreign Ministerial Conference in late June.

The Environment Ministry worked out guidelines on global warming countermeasures in running the conferences and distributed their copies to the ministries and agencies concerned. For the G-20, the government plans to purchase a green electricity certificate, which has the same meaning as using wind power, besides introducing the carbon offset mechanism.

The government is also considering adopting the carbon offset mechanism in the Africa Development Conference and the Energy Ministerial Conference in Aomori Prefecture in June. Further, it will look into using energy-saving resources, such as letting natural wind into conference halls and avoiding the use of disposable drink bottles.

A government source said: "The Lake Toya Summit and the cabinet ministerial conferences will provide a good opportunity for Japan to play up its global warming countermeasures as its message. We would like to devise ways for these measures to be effectively used also in the future."

9) UN assistance to Burma: Government to support new initiative;  
Special Advisor Gambari visiting Japan

ASAHI (Page 4) (Full)  
February 27, 2008

The government has decided to support the National Economic Forum Initiative, which Special Advisor of the UN General Secretary on Burma Gambari will propose as a new framework for helping Burma combat poverty. The proposal is part of UN efforts to promote the nation's democratization. The envisaged initiative is a new framework for extending in consultation with the junta economic aid centered on the humanitarian area with a focus on the nation's economic, social and minority issues involving poverty and social disparities. Foreign Minister Koumura and Vice Foreign Minister Mitoji Yabunaka will convey Japan's decision to Gambari during talks with him on Feb. 27-28.

According to a government source, the junta has announced a plan to enact a constitution by holding a national election in May, and transfer power to a civilian government. The same source also said that the government is aiming at indirectly supporting Burma's democratization through aid in broad-based areas.

Japan will listen to the views of Gambari during the two-day talks

TOKYO 00000508 007 OF 012

with him and exchange opinions on a specific framework for how aid should be extended and the feasibility of aid. Following the slaying of journalist Kenji Nagai in Burma, Japan put on hold part of its humanitarian aid to that nation. The government views that it would be possible to extend assistance through a UN-led framework.

Gambari will visit Burma in early March, after winding up his Japan visit, and hold talks with the junta. According to a diplomatic source, a Burmese cabinet minister in charge has shown a negative stance toward the proposal in the belief that European countries and the U.S. might intervene in the country's democratization process through the Forum.

It is now an open question whether the UN can get involved in assistance to Burma while preventing its efforts from becoming assistance to the junta, as well as whether European countries and the U.S., which are adopting a harsh stance to the junta, including the implementation of sanctions, will take part in the Initiative. Some take the view that there is no knowing whether the Initiative

can be realized.

Japan has pursued diplomacy in its own way, while keeping a limited channel with the junta. It released a comment by a Foreign Ministry spokesman hailing the junta for indicating a democratization schedule. Regarding the slaying of Nagai, the government dispatched a police official to Burma in mid-February. Tough talks aimed at shedding light on the incident are continuing, according to a senior Foreign Ministry official. The government wants to proceed with the investigation separately from the assistance plan.

10) Former Prime Minister Nakasone meets with ROK President Lee

SANKEI (Page 5) (Full)  
February 27, 2008

Morimichi Imabori, Seoul

Former Prime Minister Yasuhiro Nakasone, now visiting Seoul, met yesterday with new South Korean President Lee Myung Bak at the Blue House presidential office. Nakasone expressed strong hopes for President Lee, saying: "The spring season has come to Northeast Asia. With the inauguration of President Lee, Japan-South Korea relations will likely improve and progress significantly." He continued: "The support of the public is key to any administration. I hope to see you overcome difficulties with confidence so that you won't lose public support."

President Lee responded: "I would like to improve South Korea-Japan relations. I want you to give me advice whenever you visit my country."

Nakasone told Lee: "I want you to take the initiative as president of South Korea, which is located between Japan and China," and he sought an early summit meeting of the leaders of Japan, China and South Korea. Lee spoke positively about it: "It was regrettable that there has been a lack of regional cooperation in Northeast Asia, although such cooperation has been promoted elsewhere in the world."

11) Ishiba personally quizzed Atago's chief navigator

MAINICHI (Top play) (Abridged)

TOKYO 00000508 008 OF 012

February 27, 2008

In connection with last week's collision between the Maritime Self-Defense Force's Aegis destroyer Atago and the tuna trawler Seitoku Maru in waters off Chiba Prefecture's Nojima Point, four Defense Ministry leaders, including Defense Minister Shigeru Ishiba, had directly heard from the Atago's chief navigator in the defense minister's room about the accident before authorities from the Japan Coast Guard's 3rd Regional Coast Guard Headquarters questioned him about the factual circumstances, informed sources revealed. The chief navigator was airlifted by helicopter to the Defense Ministry. On that occasion, the MSDF had permission from the JCG to airlift an "injured person." However, the MSDF did not tell the JCG that the chief navigator would be taken as well. The chief navigator was on duty before the accident and knows well about what happened before and after the accident. Ishiba has given no account of the fact that he heard from the chief navigator in person about the circumstances. The four defense officials' closed-door questioning of the chief navigator will likely spark criticism.

The MSDF Maritime Staff Office, headquartered in Tokyo's Shinjuku Ward, planned to call in an Atago-based officer right after the accident to hear details about the accident due to the lack of information from the Atago out at sea, according to informed sources. At around 10 a.m., Feb. 19, about six hours after the accident, a helicopter that arrived at the Atago from the MSDF's Yokosuka base in Kanagawa Prefecture headed for MSO headquarters with the chief navigator onboard. At that time, the MSO had permission from the JCG to "carry an injured crewmember."

The chief navigator was questioned at MSO headquarters for about one

hour. He is believed to have stated with a note that he "saw a green light two minutes before the collision, spotted the fishing boat one minute before the collision, and tried to avoid colliding by reversing engines at full throttle."

Apart from that hearing, four officials from the Defense Ministry and the Self-Defense Forces also heard from the chief navigator about the circumstances. The four were Ishiba, Administrative Vice Defense Minister Kohei Masuda, SDF Joint Staff Office Chief Takashi Saito, and MSDF Chief of Staff Eiji Yoshikawa. The chief navigator is believed to have given a similar explanation to the four. The chief navigator flew back on a helicopter at around 2:30 p.m., according to the sources.

So far, Ishiba has explained that he only received a report from the MSO about its hearing from the chief navigator. The Defense Ministry also explained that the MSDF had permission in advance from the JCG to airlift and question the chief navigator. However, the JCG's 3rd Regional Coast Guard Headquarters ruled out that account, saying: "We received a report from the Defense Ministry about its hearing (of the chief navigator). It was after that hearing."

12) Defense Minister Ishiba to dismiss Atago captain

YOMIURI (Page 1) (Full)  
February 27, 2008

Defense Minister Shigeru Ishiba revealed yesterday in a House of Representatives Security Committee session his intention to dismiss Ken Funato, the captain of the Maritime Self-Defense Force Aegis destroyer Atago, which collided with the fishing boat Seitoku Maru.

TOKYO 00000508 009 OF 012

Asked how he would treat Captain Funato, Ishiba said: "It's matter of course to consider (punishing him). I don't think it's appropriate for him to remain a captain."

Ishiba made the remarks in response to a question by Keisuke Tsumura of the main opposition Democratic Party of Japan (DPJ or Minshuto).

In regard to a report that Funato was resting at the time of collision, Ishiba said, "It was not advisable," adding that it is not certain whether there is a link between the accident and Funato's rest. Regarding the timing for the dismissal, Ishiba said: "Since I have not directly met (with the captain and other crew members), I can't punish him without getting sufficient information." He indicated that he would make a decision after the Defense Ministry investigates the cause of the accident following the investigation currently being conducted by the Third Regional Coast Guard Headquarters.

The Third Regional Coast Guard questioned Funato on Feb. 25.

13) Ruling parties back defense minister, worried about effect on budget deliberations

YOMIURI (Page 4) (Excerpts)  
February 27, 2008

With another revelation that the Defense Ministry bungled the handling of communication and release of information on the collision of a Maritime Self-Defense Force Aegis destroyer and fishing boat, the ruling parties are concerned about the negative impact on Diet deliberations. The ruling coalition, however, has not budged from its stance of supporting Defense Minister Shigeru Ishiba, premised that the public has not been calling for his resignation, even though the opposition camp has demanded it.

The Diet affairs committee chairmen of the ruling Liberal Democratic Party (LDP) and its coalition partner New Komeito agreed yesterday that they would hold concentrated deliberations on the collision of the Aegis ship and fishing boat in a House of Representatives Budget Committee meeting on Feb. 29. In the wake of the revelation of a string of bungled efforts by the Defense Ministry, a senior LDP Diet affairs committee member said: "Since the public is now critical of



the Defense Ministry, the matter has to be carefully dealt with." Following this, the ruling camp yesterday withdrew its proposal that a vote be taken on the fiscal 2008 budget bill on Feb. 28 in a Lower House Budget session.

The ruling bloc aimed to pass the FY2008 budget bill and taxation-related bills through the Lower House by Feb. 29, but it is now uncertain whether the bills will be put to a vote in the committee and Lower House plenary sessions on the 29th, since concentrated debate will be held the same day. A senior LDP member yesterday expressed concern that the passage of the bills by the Lower House might be delayed to March. He said: "The collision incident will become a good material for the opposition camp to prolong deliberations on the budget bill."

The dominant view on Ishiba's course of action in the ruling camp is that he should place priority on making efforts to provide comfort to the family of the victims, shed light on the truth, and take steps to prevent a recurrence of similar incidents.

TOKYO 00000508 010 OF 012

Ishiba's alleged involvement in a cover-up of information on when the fishing boat was first spotted has given the opposition a weapon to pursue his responsibility for the accident. However, it seems that many ruling coalition members support Ishiba because the family members of the fishing boat crewmembers want Ishiba to remain in office and because a number of opinion polls found the public wanting reform of the Defense Ministry.

14) Calls for Ishiba's resignation may grow over ministry's mishandling of information; Criticism welling up even in ruling camp

MAINICHI (Page 2) (Excerpts)  
February 27, 2008

On the collision accident between the Maritime Self-Defense Force (MSDF) Aegis destroyer Atago and a fishing boat, it has been revealed that the correct information that the fishing boat was spotted 12 minutes before the crash had been held back for about 20 hours. It has also been unveiled that four top Defense Ministry officials had secretly questioned (the captain of the Atago) about the accident (on the day of the accident). The revelation may spur calls for Defense Minister Shigeru Ishiba's resignation. Ishiba indicated on Feb. 22 his intention to resign if the ministry was found to have attempted to conceal the truth. The opposition camp will inevitably pursue Ishiba's responsibility for the ministry's manipulation of information if such is found true. Criticism of the Defense Ministry is welling up even in the government and the ruling camp.

In a House of Representatives' Security Committee meeting yesterday, Ishiba said: "It is my responsibility to respond to the feelings of the family (of the missing fishermen)," rejecting the idea of resigning from his office. He emphasized that the ministry had not intended to conceal truth or falsify information. Ishiba also stressed his determination to fulfill his duty as defense minister by taking the initiative in reforming the Defense Ministry.

In the meeting, though, there was a scene in which Ishiba admitted his responsibility, saying: "I am the person responsible for ministry affairs." Occasionally having a fit of coughing, he also said: "I have to admit (the lack of cooperation in the ministry)." A look of fatigue seemed to have settled in his face.

15) Gov't mulls sending additional SDF troops for PKO missions

NIKKEI (Page 1) (Full)  
February 27, 2008

The government is now considering sending Self-Defense Forces personnel for United Nations peacekeeping operations in addition to those currently on PKO missions. In the run-up to sending SDF troops, the government will send SDF personnel to PKO headquarters in the Middle East, Asia, and other areas. Prime Minister Yasuo

Fukuda has advocated a "peace cooperative nation" to take positive part in international peace-building efforts. His cabinet will adopt an implementational plan for this peace cooperative initiative before this July's Group of Eight (G-8) summit (Toyako Summit).

The government has plans to send SDF personnel to the headquarters of the United Nations Integrated Mission in Timor-Leste (UNMIT) in

TOKYO 00000508 011 OF 012

East Timor and to the headquarters of the United Nations Truce Supervision Organization (UNTSO) in the Middle East. In addition, the government is also planning to send SDF personnel to the headquarters of the United Nations Missions in Sudan (UNMIS). A group of several SDF members will be posted to each of these headquarters, where they will look into what the SDF can do. Based on their fact-findings, the government will make a feasibility study of SDF troop dispatches.

In March 2007, Japan sent six SDF personnel for a PKO mission in Nepal as military observers. Japan currently posts 51 SDF members to PKO missions in Nepal and the Golan Heights in the Middle East. Japan ranks 82nd among 119 countries on PKO missions. China currently posts about 2,000 troops to PKO missions and South Korea about 420. The prime minister and the Foreign Ministry are concerned about a lowering of Japan's standing in the international community. The government will therefore hurry to send SDF batches for PKO missions overseas.

16) Selection of new GOJ governor: Submission of proposal to Diet postponed until next week or later

ASAHI (Page 4) (Full)  
February 3, 2008

The government decided to postpone the submission of its selection of a new Bank of Japan governor, which requires Diet approval, to the Diet until next week or later. It is now undergoing final coordination with an eye to promoting Deputy Governor Toshiro Muto. In order to determine the situation in the Democratic Party of Japan (DPJ or Minshuto), which is strongly opposing the selection of Muto, it decided to leave the matter to Prime Minister Fukuda to make a final decision regarding when to submit its decision and its details. A senior government official revealed the government's decision yesterday evening.

The government at first had undertaken coordination with the possibility of submitting its decision to the Diet within this week. However, the confrontation between the ruling parties, which aim at securing Lower House approval for the fiscal 2008 budget bill within this week, and the opposition camp, which is seeking more deliberations, has escalated. The DPJ has yet to consolidate the views of its members on the propriety of promoting Muto as governor. As such, the government has made the judgment that it would be inadvisable to submit a proposal (promoting Muto) now to the Diet, because it will likely create turmoil.

17) Heisei period equivalent of 1980s Maekawa (Structural Reform) Report to be mapped out: Eleven-member experts panel including business leaders starts discussion

MAINICHI (Page 3) (Full)  
February 27, 2008

The government's Council on Economic and Fiscal Policy (chaired by Prime Minister Yasuo Fukuda) yesterday held a first meeting of its experts panel tasked with mapping out new guidelines for economic structural reforms. The panel is expected to compile in June a report, which will prop up the Fukuda cabinet's growth strategy on the theoretical front. It will aim at mapping out a Heisei period equivalent of the Maekawa Report, issued in April 1986, which called for a shift from an export-dependent economy to a domestic

TOKYO 00000508 012 OF 012

demand-led economy.

The name of the panel is the Experts Panel on Structural Changes and the Japanese Economy, consisting of 11 private-sector members, such as academics, economists and business leaders. Fukuda appointed Tokyo University Graduate School Professor Kazuo Ueda as chairman. At the outset of the meeting, State Minister for Economic and Fiscal Policy Hiroko Ota, who spearheaded the establishment of the panel, explained the objective of the meeting, "I want to contemplate what kind of economy can sustain substantive domestic demand amid the dwindling birthrate."

The panel will probe into challenges facing the Japanese economy stemming from a spreading division of labor throughout the world and changes in the capital flow as a result of the economic globalization. Members will discuss 11 issues, including the roles to be fulfilled by both companies and households to build a domestic demand-led economic structure.

The panel will map out a report before the Lake Toya G-8 (Summit) in Hokkaido. The Fukuda cabinet will underscore its stance of attaching importance to economic growth.

SCHIEFFER